



The President's Daily Brief

July 17, 1975

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FOR THE PRESIDENT ONLY

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EGYPT-ISRAEL

Egypt now seems to be taking a somewhat harder line on what it will require to permit the continued presence of UN forces in the Sinai beyond the expiration of the UN mandate on July 24.

In announcing the decision not to extend the mandate, Foreign Minister Fahmi had implied that Egypt might not object if the UN Security Council extended the mandate without explicit Egyptian approval. Subsequent statements by Fahmi and other officials, however, indicate that Egypt may insist on some new substantive action by the Security Council.



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Waldheim himself has announced that it is his understanding that the Egyptians want a resolution that will assist in "implementing" previous Security Council decisions on Israeli withdrawal. It is not clear from this statement if Waldheim intends to make a distinction between "implementing" or merely "calling for" an Israeli withdrawal. We do not know if the Egyptians would be satisfied with a Security Council resolution that only advocated a pull back without taking steps to effect it.

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At his press conference on Tuesday, Fahmi suggested obliquely that economic or other sanctions might be invoked against Israel. The Egyptians may insist that the imposition of sanctions--which they could interpret as tangible pressure on Israel to "implement" a withdrawal--is the only Security Council action that would induce them to permit continuation of the UN presence in Sinai.

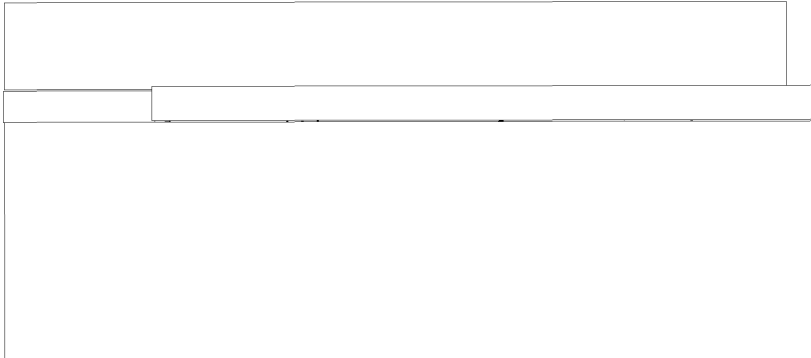
Fahmi himself took a more categorical position in a statement issued yesterday in response to Israel's request for a six-month extension. Using language that left less room for flexibility than anything he said on Tuesday, he labeled the Israeli

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request ridiculous unless it implied that a withdrawal would precede the UN extension. For now, Fahmi declared, the UN forces "are stationed on Egyptian territory and cannot remain without the approval of the Egyptian government."



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Tel Aviv has so far continued to take a low-key approach in reacting to the Egyptian statements.

Prime Minister Rabin's handling of the issue in the Knesset yesterday was restrained, and he reiterated Israel's determination to continue to seek another interim agreement. He reminded his colleagues that Israel's adherence to the January 1974 disengagement agreement is based on reciprocal Egyptian adherence. Characterizing the UN force as an "integral" part of that agreement, the Prime Minister called on Cairo to continue to respect the existence and authority of the force if it wants to preserve the agreement.

The Israeli press continues to emphasize that Cairo's pressure tactics will not stampede Tel Aviv into concluding a new interim agreement. Commentators are emphasizing that there may be an element of bluff in the Egyptian position; one of Israel's largest dailies editorialized yesterday that only "fools" would take seriously Egypt's threat not to extend the UN mandate.

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SPAIN

Madrid appears likely to maintain its tough line in next week's round of base negotiations with the US.

According to a Spanish foreign ministry official, Foreign Minister Cortina still believes that France, West Germany, and the US--acting in concert--should be able to overcome the opposition of NATO's small north European members to a link with Spain. Cortina's optimism on this score appears to be based on his meeting with French President Giscard last month.

It is unlikely that Giscard made any specific promises of French support. Cortina's impression may be based on a misreading of the French restatement of their endorsement of eventual Spanish ties with the EC and NATO. France wants to expand its commercial relations with Spain, but rules out closer political ties while Franco remains on the scene.

In earlier negotiating sessions, the Spanish civilian negotiators have appeared intent on obtaining major political objectives. They now profess to realize that they cannot get a security guarantee from the US. They say they will concentrate instead on obtaining recognition of Spain's contribution to Western defense through a link to NATO. The civilian negotiators believe that if neither of these political objectives can be obtained, the US presence in Spain must be sharply reduced. The latest Spanish proposal involves the loss of all US air base facilities in Spain, with only the naval facilities at Rota to be retained.

The military negotiators appear to have a more realistic approach to their chances of achieving Spanish objectives.

the Spaniards realize that neither a mutual defense treaty with the US nor full membership in NATO is possible now, and they would settle for some form of strategic coordination between Spain and NATO. If none of these objectives can be obtained, the US must grant Spain sufficient military aid to justify permitting the US to maintain military bases in Spain.

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At the seventh negotiating session early this month, Madrid presented an extensive list of equipment it wants, totaling some \$2 billion. Spain's military leaders wish to establish a direct link between their aid requests and extension of US base rights in Spain. They envision a one-to-one relationship--a specified amount of equipment for each principal facility desired by the US. Spanish insistence on this linkage would severely complicate negotiations.

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PORTUGAL

Moderate officers in the Portuguese Revolutionary Council--with the approval of President Costa Gomes [redacted] are planning to use the Popular Democrats' withdrawal from the government to remove Prime Minister Goncalves and other radical officers from the government.

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After the Popular Democrats withdrew from the cabinet last night, the military dissolved the provisional government. According to press reports, Goncalves has been charged with forming a new cabinet; an official military spokesman said it will "not be a coalition or exclusively military."

[redacted]
[redacted] the moderates plan to frustrate Goncalves' efforts to form a new cabinet, thereby forcing him to resign.

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[redacted] the moderates now have a majority in the Council lined up against Goncalves.

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The moderates' move is by no means assured of success. The Prime Minister was forewarned by an effort Foreign Minister Antunes made last week to unseat him. The more moderate officers in the Armed Forces Movement, moreover, have in the past lacked the strength or the will to overcome the radicals. If they make anything less than an all-out effort this time, they are likely to fail. Another lurch to the left by the government would almost certainly follow.

The moderates' chances would be enhanced if the security forces commander, General Otelo de Carvalho--who also opposes the Prime Minister--joins their effort. The Socialists, who have sympathetic contacts with the Revolutionary Council, are probably delaying any showdown with the military until the Council moderates make their move. They have, however, called a series of rallies throughout the country during the rest of the week.

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NOTES

Lebanese Prime Minister Rashid Karami on July 15 won a parliamentary vote of confidence more quickly and by a wider margin than any Lebanese prime minister in recent years.

The vote does not reflect any particular enthusiasm for the substance of Karami's policy statement. Rather, it demonstrates the eagerness of the country's normally disputatious politicians to calm the tense political and security situation in Beirut.

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Portuguese troops are patrolling Luanda, Angola, to prevent looting and further hostilities between the Popular Movement for the Liberation of Angola and the National Front for the Liberation of Angola.

Portuguese officials in Luanda are anxious to repair the shattered structure of the transitional government. They have been in touch with officials of the Popular Movement, although as of yesterday they had not made contact with Agostinho Neto, whom apparently they still believe is in charge of the Movement.

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